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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
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| 09/982,225 | 10/18/2001 | Robert S. Felton | YOR9-2001-0696-US1 | 7410 |

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| EXAMINER | |
|---|---|
| LIVERSEDGE, JENNIFER L | |
| **ART UNIT** | **PAPER NUMBER** |
| 3692 | |

| SHORTENED STATUTORY PERIOD OF RESPONSE | MAIL DATE | DELIVERY MODE |
|---|---|---|
| 3 MONTHS | 12/28/2006 | PAPER |

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

| Office Action Summary | Application No. | Applicant(s) | |
|---|---|---|---|
| | 09/982,225 | FELTON ET AL. | |
| | Examiner | Art Unit | |
| | Jennifer Liversedge | 3692 | |

*-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --*

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1)☒ Responsive to communication(s) filed on *17 October 2006*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4)☒ Claim(s) *1-20* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-20* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

## DETAILED ACTION

### *Response to Amendment*

This Office Action is responsive to Applicant's amendment and request for reconsideration of application 09/982,225 filed on October 17, 2006.

The amendment contains original claims: 2-3, 7, 15-16 and 20.

The amendment contains amended claims: 1, 4-6, 8-14 and 17-19.

### *Claim Rejections - 35 USC § 103*

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-4, 8-10 and 14-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Pub No. US 2002/0120561 A1 to Chin et al. (further referred to as Chin), and further in view of "Brazil Cracks Down" by Michael Fabey in the Journal of Commerce, 1998 (further referred to as Fabey).

Regarding claims 1, 4, 8, 10, 14 and 17, Chin discloses a method, computer system and program storage device readable by machine tangibly embodying a program of instructions executable by the machine for executing a method for verifying a value of goods on a supplier invoice (page 3, paragraphs 30-36), said method comprising:

Inputting a first value of imported goods in a data processing system (page 1, paragraph 8; page 5, paragraph 63);

Inputting a second value of imported goods in said data processing system (page 1, paragraph 8; page 3, paragraph 30; page 9, paragraph 117);

Comparing said first value with said second value (page 3, paragraph 35; page 5, paragraph 64; page 10, paragraphs 125 and 129);

Performing a logic step, wherein said logic step comprises one of:

Alerting a user if said first value does not equal said second value (page 5, paragraph 64; page 10, paragraphs 125 and 129); and

Making an automated payment if said first value equals said second value (page 1, paragraph 8; page 10, paragraphs 131-133); and

Repeating said method for subsequent supplier invoices (page 4, paragraph 53; page 5, paragraph 56).

Chin does not disclose the method, computer system and program storage device wherein the step of comparing said first value with said second value occurs selectively. However, Fabey discloses the method and computer system wherein the step of comparing said first value with said second value occurs selectively (page 2,

lines 21-23). It would be obvious to one of ordinary skill in the art to combine the use of selective comparison of values as disclosed by Fabey with the Customs data management account method as disclosed by Chin. The motivation would be that certain accounts may require more comparing of data due to prior violations, or due to being a new account for example, in which a tighter control and more frequent comparison of data entered would be desirable; and other accounts may require less comparisons if the account holders have demonstrated fair data entry and that they operate without trying to cheat the system.

Similarly, Chin does not disclose compiling a daily input of supplier invoice data into weekly statistical sample of supplier invoices, wherein said statistical sample comprises a sampling size greater than a sampling size used in United States Customs Service audits. However, given the combination of Chin and Fabey above, using daily data for weekly statistical sampling with a sample size greater than that of the U.S. Customs Service would be obvious to one of ordinary skill in the art. The motivation would be to use statistics in such a manner to ensure compliance with U.S. Customs requirements. Statistics offer the user the ability to customize the inputs based on preference or requirements. An average, for example, is based on how many numbers the user wishes to average, over the time frame they wish to average, using any number of combinations as they chose, etc. Statistics allow us the ability to measure and manipulate and make calculations as we need or desire. In regard to the present application, using daily data for weekly statistical data is a preference of which data to use, and on which date to use the data for making a calculation. Chin discloses

inputting data and making comparisons of the data, and when one chooses to make such calculations is the users choice, but the statistical mechanism of performing calculations at various stages is old and well known.

Further, it would be obvious to one of ordinary skill in the art to use a sample size greater than that of the U.S. Customs Service, the motivation being to ensure that their data is above and beyond a "clean" point. If one were to use a sample size of equal to or less than that of the U.S. Customs Service, the results may not capture an issue that exists. Performing due diligence and to raise confidence that the results calculated most closely represent data that will be calculated by a regulatory board, such as the U.S. Customs Service, one would use a sample size greater than a required sample size in order to examine a broad base of available data such that an issue doesn't fall through the cracks due to inadequate sampling. Whether this number is 10 or 30 or 50 or 100, it would be obvious to one of ordinary skill in the art to select a number of invoices for sampling which is greater than or equal to that used by the U.S. Customs Service as that is what would be used for an official audit and sampling would therefore provide indication as to how the results would fair in a real audit.

As disclosed in the background of the present application, audits related to documentation, in which a random sampling of documentation occurs by the U.S. Customs Service, is an old and well known practice. It would be obvious for a company to use the same method as that used by the U.S. Customs Service in order to ensure compliance with their regulations as it is unlawful to violate federal policy. By increasing the sample size used compared to that used by the U.S. Customs Service, the company

would be using sound and well known statistical mechanisms in order to ensure compliance.

Regarding claims 2 and 15, Chin discloses the method and program storage device wherein said step of inputting a first value of imported goods into a data processing system comprises inputting a value claimed on an import declaration (page 1, paragraph 8; page 5, paragraph 63), and wherein said step of inputting a second value of imported goods into said data processing system comprises inputting a value claimed on a payment invoice (page 1, paragraph 8; page 3, paragraph 30; page 9, paragraph 117).

Regarding claims 3, 9 and 16, Chin discloses the method, computer system and program storage device wherein the step of comparing said first value with said second value occurs for every occurrence of said inputting a first value of imported goods into a data processing system and said step of inputting a second value of imported goods into said data processing system (page 3, paragraphs 28 and 35; page 4, paragraph 53; page 5, paragraph 56; page 6, paragraph 71).

Claims 5-7, 11-13 and 18-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Chin and Fabey, and further in view of Introduction to Industrial and Systems Engineering by Turner et al., 1993 (further referred to as Turner).

Neither Chin nor Fabey disclose the method, computer system and program storage device further comprising selecting a statistical sample of supplier invoices having said first value greater than a predetermined amount; further comprising selecting a statistical random sample from all supplier invoices in said data processing system, and identifying an amount of occurrences of unequal first values compared with second values, attributed to a common supplier; and further comprising selecting all invoices of said common supplier if said amount of occurrences exceeds a predetermined amount, and alerting said user.

However, Turner discloses statistical sampling, the selection of samples from a total given population, and wherein parameters are established for the selection of sample size (page 520-521). The sample sizes as disclosed in the current application, are representative sample size selections per old and well known statistical practice.

It would be obvious to one of ordinary skill in the art to combine the use of statistical analysis as disclosed by Turner with the Custom's tracking data analysis as disclosed by the combination of Chin and Fabey. The motivation would be to correlate data against determined key values of success in order to mitigate risk associated with Custom's shipments. Identifying and evaluating measures of risk are old and well known means and drivers of determining and implementing a system of sampling for statistical analysis. The motivation for such sampling techniques would be to make efficient use of analysis, capturing and more closely scrutinizing potential issue accounts while not spending valuable resources on accounts which are not exhibiting signs of issues.

***Response to Arguments***

In response to applicant's argument that there is no suggestion to combine the references, the Courts have stated that "**[a] suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art**, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references...The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art... there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." (emphasis added) In re Kahn, 78 USPQ2d 1329, 1336 (CA FC 2006). Examiner asserts that he can and/or has provided such "articulated reasoning" to support the legal conclusion of obviousness.

Applicant has also argued that Chin and Fabey are not analogous art. However, Examiner asserts that both Chin and Fabey disclose information related to Customs activity, and both disclose the mechanism by which declarations and invoices are reviewed to determine if the values therein match. Both pieces of prior art are analogous art as both disclose values of invoices and declarations and how officials and/or systems are to address differences contained therein.

Applicant argues that "...compiling a daily input of supplier invoice data into a weekly statistical sample of supplier invoices, wherein said statistical sample comprises a sampling size greater than a sampling size used in United States Customs Service audits..." is not addressed by the prior art, this material being included in the amended

claims but not the claims as originally filed. A full reasoning for the current rejection under 35 USC § 103 is provided within the claim rejection. In summary, this modification to the claims is centered around the use of statistics in a manner which is old and well known and mimics the system as provided by the U.S. Customs Service.

Applicant further argues that "...typically one chooses a sample size to be less than the size of a standard". The Examiner can think of no explanation for why one would chose a sample size less than a standard, as this would be a poor practice. One would select a sample size equal to or greater than a standard to ensure compliance with a standard. Selecting a sample size less than a standard would not provide an adequate appraisal of the system, yielding information which would not be representative of a true system measure.

***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday – Friday, 8:30 – 5 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached at 571-272-6777. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Jennifer Liversedge

Examiner

Art Unit 3692

RICHARD E. CHILCOT, JR.
SUPERVISORY PATENT EXAMINER